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Letter No. 2350

February 18 1988

WORLD COARSE GRAIN PRODUCTION TO DROP The world coarse grain production is projected to drop 5 percent, utilization to increase one to two percent, and trade to grow three to four percent, according to the U.S. Department of Agriculture. However, with production the lowest in 4 years, and consumption setting a record, ending stocks are forecast to decrease 12 percent. Tradable supplies of corn and sorghum outside the U.S. are tight again in 1987/88, following last year's drop, because of continued low production in a number of major exporting countries. This has contributed to rising U.S. exports and market share. However, in many markets U.S. feed grain exports are still facing sharp competition with barley, feed-quality wheat, and non-grain feeds.

FEED GRAIN SUPPLIES DOWN Reports from the U.S. Department of Agriculture show reductions of 1987/88 feed grain supplies, tighter free stocks and expanding exports and feed use. These factors are setting a bullish tone for prices. Carryin stocks were record large at 151 million 800 thousand tons, but feed grain production was down 15 percent to 215 million 200 thousand tons, leaving a total supply of 367 million 600 thousand, which is 11 million 700 thousand less than in 1986/87.

1988 FEED GRAIN PROGRAM The 1988 feed grain program contains a few changes from 1987, according to the U.S. Department of Agriculture. The target prices and loan rates are lower; the diversion percentage and payment rates are lower for the voluntary paid land diversion program, and farmers are provided an optional 0/92 program for 1988. Oats are singled out for special treatment. The acreage reduction program requires 5 percent for oats compared with 20 percent for other feed grains. The paid land diversion program is not available to oat producers, and limited cross-compliance restrictions are lifted.

FEED DEMAND FORECAST UP The demand for feed is forecast up this year, with the largest increase in the first half, according to the U.S. Department of Agriculture. Although dairy and beef cow herds are down, milk output per cow is up, so feed use in dairying may change very little. Hog, poultry and cattle feeding, all heavy grain-using enterprises, are increasing.

MORE WHEAT TO USSR On February 17, private exporters reported to the U.S. Department of Agriculture the export sales of 500,000 metric tons of hard red winter wheat for delivery to the USSR during the 1987/88 marketing year, and under the fifth year of the Long Term Grain Supply

United States Department of Agriculture

Office of Information Washington D.C. 20250

SALES OF WHEAT & CORN TO USSR

The sales of wheat and corn to the USSR for delivery during the fifth year of the Long Term Grain Supply Agreement total 7,345,900 tons, of which wheat is 5,675,400 tons and sales of soybean meal total 1,302,500 tons, according to the U.S. Department of Agriculture.

TARGET PRICES REDUCED

U.S. Department of Agriculture budget cuts of \$969 million for fiscal 1988 and \$1 billion 497 million for fiscal 1989 were included in the two major budget bills signed into law by the President on December 22. Among reductions are target prices for 1988 and 1989 crops. The reduction is 1.4 percent from the levels set by the 1985 farm bill. The new target prices will include: Wheat, \$4.23 a bushel this year and \$4.10 next year...feed grains, \$2.93 a bushel this year and \$2.84 next year...upland cotton, 75.9 cents a pound this year and 73.4 next year...and rice, \$11.15 a hundredweight this year and \$10.80 next year.

FARM WORKER NUMBERS UP There are more people working on farms and ranches this February than a year ago in California, Florida, Hawaii, Oklahoma, Texas, Arizona and New Mexico, according to the U.S. Department of Agriculture. Wage rates for all hired farm workers during the 1988 survey week ranged from \$5.02 per hour in the Southern Plains Region to \$8.18 per hour in Hawaii.

NEW VIRUS-RESISTANT LETTUCE A new iceberg lettuce that resists mosaic virus may be on the market within a year. Lettuce plants infected with mosaic virus form small, distorted heads while leaves have an unhealthy looking mosaic pattern of dark and light green. Virus-damaged plants can be lost as a cash crop. The virus is carried by green peach aphids. The new resistant lettuce is named Autumn Gold, and it has yet another advantage, it withstands heat that can cause most iceberg varieties to form a seed stalk in desert growing areas. The Autumn Gold was developed by Edward J. Ryder, plant geneticist of the U.S. Department of Agriculture in Salinas, Calif.

OUT OF CHEESE AND DRY MILK The U.S. Department of Agriculture has announced the depletion of government stockpiles of cheese and non-fat dry milk. This means the Temporary Emergency Food Assistance Program will not be able to distribute these foods to low-income households in May. Rice and honey stocks will be depleted by March distributions. Flour, cornmeal and butter distributions will continue as in recent months. One in every seven Americans receive federal food assistance at some point in the year at a taxpayer cost of over \$56 million a day. The programs include food stamps, free school lunches and breakfasts, elderly food assistance, supplemental food programs for women, infants and children, child care meals and summer child feeding.

POST OR PRETHANKSGIVING TURKEY

You'd think Thanksgiving was coming since there are nearly 31 million turkey eggs in incubators as of February 1, according to the U.S. Department of Agriculture. This is 8 percent above the nearly 28% million a year earlier.

SHHHHHHHHH! DON'T TELL JIM JOHNSON We are sneaking in this note, replacing some news items that were in this space when Jim Johnson signed off on this letter. You won't tell on us, will you? As you know by now, Jim is retiring. His last day at the USDA is April 1. We're having a farewell party for him on the afternoon of March 24, and you're all invited. But whether or not you can come, would each of you consider taping a serious or funny farewell to Jim on a cassette, and mailing it to us? Label it, but don't fancy-wrap it. We're going to pile all the cassettes into a beat-up old paper carton for presentation to Jim at the party. Jim will undoubtedly consider these cassettes as priceless mementos now and in the years ahead. Thank you! Please mail your cassette to:

Don Elder, Radio & TV Rm. 410-A Admin. Bldg. USDA Washington, DC 20250

FROM OUR RADIO SERVICE AGRICULTURE USA #1603...(Weekly 13½ min documentary) The USDA has just released its FY 1989 Budget and the proposed spending levels it contains could have profound effects on farmers and other rural residents. Brenda Curtis talks with the USDA Budget Officer.

AGRITAPE/FARM PROGRAM REPORT #1591...(Weekly reel of news features) USDA news highlights; USDA proposed budget; Swine I.D.; More food imports; U.S. farm exports to rise.

CONSUMER TIME #1083...(Weekly reel of 2½-3 min features) New forest recreation policy; Reporting your houseplants; Buying potting soil; USDA punishes producers of low quality produce; Getting a cow to give "skim" milk.

USDA RADIO NEWS SERVICE...Thurs, Feb. 25, World tobacco situation, U.S. poultry production; Fri, Feb. 26, Milk production, Cotton and Wool outlook; Tues, Mar. 1, Crop/weather update; Wed, Mar. 2, Fruit outlook; Mon, Mar. 7, World cocoa situation; Tues, Mar. 8, Crop/weather update; Wed, Mar. 9, U.S. crop production, Soviet crop situation, World ag. supply and demand; Thurs, Mar. 10, Sugar and sweetener outlook, World crop forecast, World oilseed situation, World cotton situation. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays...A BETTER WAY, 10:00-10:30 a.m. ET....Transponder 9X
ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET....Transponder 9X
UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET....Transponder 9X

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D

REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET.....Transponder 12D

UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Friday 11:00 a.m. ET.

OFF MIKE

Busy week around here this week, especially for the radio crew: Gary Crawford, Brenda Curtis, and George Holmes. Monday was Presidents' Day, so everything else was crammed into four days. Forest Service had a press conference the morning after the holiday, so we didn't have a chance to set up a live feed of the event. However, we did for the special telephone press conference on the Farm Costs/Returns Survey....then did it again for a live feed of the press briefing on USDA's proposed Fiscal Year 1989 budget. Everyone pitched in to make the calls, and we thank them, especially because they had to overcome a fairly high level of confusion among the farm broadcasters they called for the telephone press conference. One of the guests was USDA economist Jim Johnson. And this Jim Johnson moderated the event. So, several farm broadcasters wondered who was retiring and who was guesting ... In making calls for these events, we learned that Ray Villandry is no longer at KFJW. Amarillo, TX; that Jim Yeary is the farm broadcaster at KVRP. Haskell, TX, replacing John Wedeborn, and Lee Steffen is

Farm Broadcasters Letter Radio and Television, Rm. 410A Office of Information, OGPA U-S. Department of Agriculture Washington, D-C. 20250-1300

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the farm broadcaster at WOSH. Oshkosh, WI. replacing Don Tripp ...and that Daryl Albaugh at WOC. Davenport, IA has a new telephone number: 319-344-7136 ... Note arrived from W. Judd Wyatt (Now "retired" as well-known almanac editor, now busy with umpteen projects, Columbia, MO). He enclosed a clipping reporting the death of Loyd Evans, at the age of 65. Loyd was the first farm director at KWTO for 10 years and later had a noon farm show on television ... Harry Jenness is no longer farm broadcaster at KNUJ, New Ulm, MN. He's available and looking for another farm broadcasting position. He was born and worked on a farm and was in farm broadcasting for 10 years. His phone number is 507-345-1700 ... We'll save until next week some of the comments we've received lately about retiring and retirement,

JAMES L JOHNSON, Chief, Radio and Television Division